

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

SUPPLEMENTAL ORDER REGARDING DOCKET NUMBER VGOB-99-0922-0747

ELECTIONS: UNIT U-32
(herein "Subject Drilling Unit")

REPORT OF BOARD

FINDINGS AND ORDER

This Supplemental Order is entered by the Board *sua sponte* in the form authorized by the Board at hearings held on February 15, 1994 and June 16, 1992; and this Supplemental Order is being recorded for the purpose of supplementing the Order previously in the captioned matter on December 1, 1999 which was recorded at Deed Book 499, Page 433 in the Office of the Clerk of the Circuit Court of Buchanan County, Virginia, on December 13, 1999, (herein "Board Order") and completing the record regarding elections.

Findings: The Board finds that:

The Board Order directed CONSOL Inc. (herein "Designated Operator") to mail copies of the Board Order to all Respondents whose interests, if any, were pooled by the said Board Order;

The Designated Operator filed its affidavit of elections disclosing that it had mailed a true and correct copy of the Board's Order to all Respondents whose interests, if any, were pooled by said Board Order;

The Board Order required each Respondent whose interests, if any, were pooled by the terms of said Board Order to make an election within thirty (30) days after the date of mailing or recording, as applicable, of said Order; the affidavit of elections filed herein and annexed hereto as Exhibit A states: (i) whether each Respondent has made or failed to make a timely election; (ii) the nature of any election(s) made; and (iii) whether, by reason of a failure to elect or to timely elect one or more Respondents are deemed, under the terms of the Board's Order, to have leased all their rights, title, interests, estates and claims in Subject Drilling Unit to the Applicant;

That the affidavit of elections annexed hereto with the Exhibits submitted therewith identifies the Respondent(s) making a timely election, if any; identifies the Respondent(s), if any, who are deemed to have leased; identifies the conflicting interests and claims which require escrow; identifies the interests and claims, if any, requiring escrow under Virginia Code section 45.1-361.21.D.; and identifies the Respondents, if any, who may be dismissed by reason of having leased or entered into a voluntary agreement with the Applicant.

The affidavit of elections indicates that the escrow of funds is required with regard to Unit U-32;

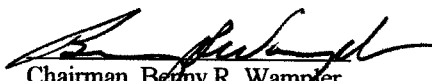
Order: By this Order, the Board orders the Designated Operator to tender, consistent with and in accordance with the findings set forth at paragraph 2. above and the annexed affidavit of elections with Exhibits thereto, any funds subject to escrow and instructs the Escrow Agent, First Union National Bank, Corporate Trust PA1328,123 Broad Street, Philadelphia, PA 19109-1199, Telephone: (215) 985-3485 or (800) 664-9359, Attn: Don Ballinghoff, or any successor named by the Board to establish interest bearing escrow account(s), IRS Tax Identification Number 54-1629506, in accordance with the information set forth in the affidavit of elections with Exhibits thereto, to receive funds and account to the Board therefor.

Mailing of Order and Filing of Affidavit: The Designated Operator under the captioned Order or shall file an affidavit with the Secretary of the Board within ten (10) days after the date of receipt of this Order stating that a true and correct copy of this Order was mailed to each Respondent whose interests or claims are subject to escrow and whose address is known within seven seven (7) days from the date of receipt of this Order.

Conclusion: Therefore, the findings and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.


Effective Date: This Order shall be effective on the date of its execution.

DONE AND EXECUTED this 22nd day of March, 2000, by a majority of the Virginia Gas and Oil Board.


Chairman, Benny R. Wampler


STATE OF VIRGINIA
COUNTY OF WISE

Acknowledged on this 22nd day of March, 2000, personally before me a notary public in and for the Commonwealth of Virginia, appeared Benny R. Wampler, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.


Susan G. Garrett, Notary


My commission expires: 7-31-02

DONE AND PERFORMED THIS 25th day of March, 2000, by Order of the Board.


B. R. Wilson
Acting Principal Executive to the Staff
Virginia Gas and Oil Board

STATE OF VIRGINIA
COUNTY OF WASHINGTON

Acknowledged on this 28th day of March, 2000, personally before me a notary public in and for the Commonwealth of Virginia, appeared B. R. Wilson, being duly sworn did depose and say that he is Acting Principal Executive to the Staff, Virginia Gas and Oil Board, that he executed the same and was authorized to do so.


Diane J. Davis, Notary

My commission expires: 9/30/2001

VIRGINIA:

Exhibit A

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

Application of BUCHANAN PRODUCTION CO. for Forced Pooling of Interests in CBM Unit U-32 VGOB-99-0922-0747 in the Garden District of Buchanan County, Virginia

AFFIDAVIT OF CONSOL Inc. (herein "Designated Operator") REGARDING ELECTIONS, ESCROW AND SUPPLEMENTAL ORDER

Leslie K. Arrington, being first duly sworn on oath, deposes and says:

That your affiant is employed by CONSOL Inc., as a Permit Specialist and is duly authorized to make this affidavit on behalf of the designated operator,

That the Order entered on December 1, 1999, by the Virginia Gas and Oil Board (hereinafter "Board") regarding the captioned CBM Unit required the Applicant to mail a true and correct copy of said Order to each person pooled by the Order;

That within seven (7) days of receipt of an executed copy of the Order referred to at paragraph 2. above, your affiant caused a true and correct copy of said Order to be mailed via the United States Postal Service to each Respondent named in the captioned Application, whose address was known, and to all persons, if any, who were added as Respondents at the hearing held in the captioned matter; that proof of such mailing has previously been tendered to the Division of Gas and Oil, the Office of the Gas and Oil Inspector, at Abingdon, Virginia;

That the Order of the Board in the captioned matter required all persons pooled thereby to tender their written elections to the Unit Operator within thirty (30) days of the date the Order was recorded in the county identified above; that said Order was recorded on December 13, 1999;

That the designated operator CONSOL Inc. has established procedures to review all mail received and all written documents received other than by mail to ascertain whether parties whose interests have been pooled have made a written election, in a timely fashion, as required by the captioned Order; that said procedures were followed to identify the elections, if any, made with regard to the Subject Unit; that the following persons delivered, by mail or otherwise, written elections the Unit Operator, within the thirty day elections period:

None.

That Respondents identified in Exhibit B-3 hereto are, having failed to make any election, deemed to have leased their coalbed methane rights, interests and claims to Applicant, all as provided in the Board's Order of December 1, 1999;

See Attached Exhibit B-3

That the rights, interests and claims of the following persons are subject to escrow under the Board's Order pooling the captioned Unit, Board Regulations and the Code of Virginia:

See attached Exhibit E.

That after the pooling hearing held in the captioned matter, the following persons have leased or entered into a voluntary agreement with the Designated Operator:

None

that to the extent any of said persons listed in Exhibit B-2 have rights, interests and claims which are not subject to escrow, they should be dismissed as respondents; the Operator requests that the following persons be dismissed as Respondents:

None

That pursuant to the provisions of VAC 25-160-70.A.10. and C. and VAC 25-160-80 the annexed supplemental order sets forth the interests and claims that require escrow of funds pursuant to Virginia Code sections 45.1-361.21.D. and 45.1-361.22.A.3. and 4.

Dated at Tazewell, Virginia, this 26th day of January, 2000.


Leslie K. Arrington

Taken, subscribed and sworn to before me by Leslie K. Arrington as Permit Specialist of CONSOL Inc., on behalf of the corporate Designated Operator, this 26th day of January, 2000.


Notary

My commission expires: 1-31-2001.

N 328,964.18
E 1,002,122.66N 328,893.69
E 1,003,987.05

CBM-U32A

1

2A

3A

CBM-U32

5

2B

4A

3B

4B

N 327,093.58
E 1,002,054.23

80 ACRE UNIT

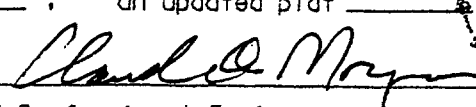
N 327,023.01
E 1,003,918.71PROPERTY LINES SHOWN WERE TAKEN FROM MAPS
PROVIDED BY CONSOL INC. AND WERE NOT SURVEYED.**LEGEND**

TRACT LAND HOOK

TRACT LAND ID'S

EXHIBIT A
OAKWOOD FIELD UNIT U-32
FORCE POOLING
VGDB-99-0922-0747

Company Consol Inc. Well Name and Number UNIT U32
 Tract No. _____ Elevation _____
 County Buchanan District Garden Scale: 1" = 400' Date 8/10/99
 This plat is a new plat X ; an updated plat _____ ; or a final plat _____

Form DGO-GO-7
Rev. 9/91

 Licensed Professional Engineer or Licensed Land Surveyor

(Affix Seal)

CONSOL INC.
UNIT U-32
Tract Identification

1. Yukon Pocahontas Coal Co. et al - Tr. 108 - Fee
 Coal Lessees
 Island Creek Coal Company
 Jewell Smokeless Coal Corporation
 Permac, Inc.
 Buchanan Production Company - CBM Lessee
 4.21 acres 5.2625%

2. Alpha Stickley, et al - Coal, Oil & Gas
 Coal Lessees
 Island Creek Coal Company
 Jewell Smokeless Coal Corporation
 Permac, Inc.
 Buchanan Production Company - CBM Lessee
 11.55 acres 14.4375%

- 2A. Clyde Harman - Surface
 2B. Cloyd Boyd - Surface

3. Richard Deskins Heirs, et al - Coal, Oil & Gas
 Coal Lessees
 Island Creek Coal Company - Coal Below Tiller
 Jewell Smokeless Coal Corp.
 Permac, Inc.
 Buchanan Production Company - CBM, Oil & Gas Lessee
 Buchanan Production Company - CBM Lessee
 31.61 acres 39.5125%

- 3A. Major Jack Harman - Surface
 3B. Cloyd Deskins - Surface

4. Yukon Pocahontas Coal Co. et al - Tr. 6 - Coal, Oil & Gas
 Coal Lessees
 Island Creek Coal Company
 Jewell Smokeless Coal Corporation
 Permac, Inc.
 Buchanan Production Company - CBM Lessee
 31.53 acres 39.4125%

- 4A. Clyde Harman - Surface
 4B. Vern Mullins - Surface

5. Alpha Stickley, et al 25% - Coal, Oil & Gas
 Virginia Department of Transportation 75% - Coal, Oil & Gas
 Coal Lessees
 Island Creek Coal Company
 Jewell Smokeless Coal Corporation
 Permac, Inc.
 Buchanan Production Company - CBM Lessee
 1.10 acres 1.3750%

BOOK 504 PAGE 533
Exhibit B-3
UNIT U-32
Docket # VGOB-99-0922-0747
List of Unleased Owners/Claimants

	Acres in Unit	Percent of Unit	Election
I. <u>COAL FEE OWNERSHIP</u>			
Tract #5, 1.10 acres			
(1) Virginia Department of Transportation 870 Bonham Road Bristol, VA 24201	0.83 acres 3/4 of 1.10 acres	1.03125%	Deemed Leased
II. <u>OIL & GAS FEE OWNERSHIP</u>			
Tract #5, 1.10 acres			
(1) Virginia Department of Transportation 870 Bonham Road Bristol, VA 24201	0.83 acres 3/4 of 1.10 acres	1.03125%	Deemed Leased

Docket # VGOB-91-0430-0108-01
List of Conflicting Owners/Claimants that require escrow

	Acres in Unit	Percent of Unit
Tract #3, 31.61 acres		
<u>COAL FEE OWNERSHIP</u>		
(1) Richard Deskins Heirs, et al.	31.61 acres	39.51250%
(a) Lida G. Vandyke 193 South Lane Hightstown, NJ 08502	0.6451 acres 1/49 of 31.61 acres	0.80638%
(b) Edith McGlothlin 2619 Derubertis North Madison, OH 44057	0.6451 acres 1/49 of 31.61 acres	0.80638%
(c) Daris Deskins 3746 Grove Ave., Apt. 204 Willoughby, OH 44094	0.6451 acres 1/49 of 31.61 acres	0.80638%
(d) Island Creek Coal Company (coal below tiller) Virginia Division Drawer L Oakwood, VA 24631	2.5804 acres 4/49 of 31.61 acres	3.22551%
<u>OIL & GAS FEE OWNERSHIP</u>		
(1) Richard Deskins Heirs	31.61 acres	39.51250%
(a) Delles G. Deskins 5046 Columbus Court Auburn, GA 30203	0.5645 acres 1/56 of 31.61 acres	0.70558%
(b) Billy J. Deskins Rt. 2, Box 542 Honaker, VA 24260	0.5645 acres 1/56 of 31.61 acres	0.70558%
(c) Charles P. Deskins Rt. 2 Honaker, VA 24260	0.5645 acres 1/56 of 31.61 acres	0.70558%
(d) Winfred L. Deskins Rt. 2, Box 78 Honaker, VA 24260	0.5645 acres 1/56 of 31.61 acres	0.70558%
(e) Arnold R. Langley 115 Church Street Bloomdale, OH 44817	0.5645 acres 1/56 of 31.61 acres	0.70558%
(f) Billanora C. Deskins P. O. Box 347 Rosedale, VA 24280	0.5645 acres 1/56 of 31.61 acres	0.70558%
(g) Frieda V. Deskins Rt. 3, Box 74 Hillsville, VA 24343	0.5645 acres 1/56 of 31.61 acres	0.70558%
(h) Norma Gay Deskins Rt. 2, Box 64 Honaker, VA 24260	0.0806 acres 1/392 of 31.61 acres	0.10080%
(i) Jerry F. Deskins P. O. Box 34	0.0806 acres 1/392 of 31.61 acres	0.10080%

Exhibit E
UNIT U-32 BOOK 504 PAGE 535
Docket # VGOB-91-0430-0108-01
List of Conflicting Owners/Claimants that require escrow

	Acres in Unit	Percent of Unit
North Robinson, OH 44856		
(j) John P. Deskins	0.0806 acres	0.10080%
Rt. 2, Box 603-A	1/392 of 31.61 acres	
Honaker, VA 24260		
(k) Donald W. Deskins	0.0806 acres	0.10080%
P. O. Box 1184	1/392 of 31.61 acres	
Honaker, VA 24260		
(l) Leonard R. Deskins, Jr.	0.0806 acres	0.10080%
Rt. 2, Box 603	1/392 of 31.61 acres	
Honaker, VA 24260		
(m) Norma R. Hale	0.0806 acres	0.10080%
Rt. 2, Box 64	1/392 of 31.61 acres	
Honaker, VA 24260		
(n) Barbara L. Deskins	0.0161 acres	0.02016%
P. O. Box 33	1/1960 of 31.61 acres	
Brahamsville, VA 23011		
(o) David L. Deskins	0.0161 acres	0.02016%
P. O. Box 108	1/1960 of 31.61 acres	
Barhamsville, VA 23011		
(p) Gregory N. Deskins	0.0161 acres	0.02016%
P. O. Box 189	1/1960 of 31.61 acres	
Barhamsville, VA 23011		
(q) Matthew Deskins	0.0161 acres	0.02016%
% Barbara Deskins	1/1960 of 31.61 acres	
P. O. Box 33		
Barhamsville, VA 23011		
(r) Carole L. Liggan	0.0161 acres	0.02016%
6826 Cherry Grove Lane	1/1960 of 31.61 acres	
Mechanicsville, VA 23111		

Tract #3, 31.61 acres

COAL FEE OWNERSHIP

(1) Island Creek Coal Company (coal below tiller)	7.70 acres	9.62613%
Virginia Division	191/784 of 31.61 acres	
Drawer L		
Oakwood, VA 24631		

OIL & GAS FEE OWNERSHIP

(1) Richard Deskins Heirs	31.61 acres	39.51250%
(a) Jasper E. Hiser	1.1289 acres	1.41116%
Rt. 1, Box 366	1/28 of 31.61 acres	
Ronceverte, WV 24970		
(b) Betty L. Deweese	0.5645 acres	0.70558%
5229 Monta Vista Dr.	1/56 of 31.61 acres	
Charleston, WV 25313		
(c) Felda L. Bland	0.5645 acres	0.70558%
38 Redington Court	1/56 of 31.61 acres	

Exhibit E
UNIT U-32

Docket # VGOB-91-0430-0108-01

List of Conflicting Owners/Claimants that require escrow

	Acres in Unit	Percent of Unit
West Carrollton, OH 45449		
(d) Edward McNeil 2412 Sequoia Park Yukon, OK 73099-5822	0.1411 acres 1/224 of 6.51 acres	0.17640%
(e) Jack W. McNeil 2855 Mountain Pass Rd. Troutville, VA 24175-2721	0.1411 acres 1/224 of 6.51 acres	0.17640%
(f) Marie N. Deskins Rt. 6, Box 93 Tazewell, VA 24651	1.2902 acres 2/49 of 31.61 acres	1.61276%
(g) Gaylene A. Horn 18377 Cleveland Rd. Abingdon, VA 24211	1.2902 acres 2/49 of 31.61 acres	1.61276%
(h) Jimmy Sisk Sr. 3153 Creekside Drive Norton, OH 44203	1.2902 acres 2/49 of 31.61 acres	1.61276%
(i) Juanita Colley 1916 County Rd. 60 Auburn, IN 46706	0.2150 acres 1/147 of 31.61 acres	0.26879%
(j) Billy R. Deskins 1111 Superior Drive Auburn, IN 46706	0.2150 acres 1/147 of 31.61 acres	0.26879%
(k) Lois J. High P. O. Box 24 Corunna, IN 46730	0.2150 acres 1/147 of 31.61 acres	0.26879%
(l) Joyce L. Ratliff 1101 Greg St. West Edge Auburn, IN 46706	0.2150 acres 1/147 of 31.61 acres	0.26879%
(m) Joan E. Deskins 217 West 19th Street Auburn, IN 46706	0.2150 acres 1/147 of 31.61 acres	0.26879%
(n) Joseph H. Deskins 5272 County Rd. 35 Auburn, IN 46706	0.2150 acres 1/147 of 31.61 acres	0.26879%

VIRGINIA: In the Clerk's Office of the Circuit Court of Buchanan County. The foregoing instrument was this day presented in the office aforesaid and is together with the certificate of acknowledgment annexed, admitted to record this 31st day of March 2000 11:51 AM.
Deed Book No. 504 and Page No. 527 TESTE: James M. Bevens, Jr., Clerk
Returned this date to: Shirley S. Miller TESTE: Shirley S. Miller, Deputy Clerk
Shirley S. Miller Shirley S. Miller

INSTRUMENT #000000889
RECORDED IN THE CLERK'S OFFICE OF
BUCHANAN COUNTY ON
MARCH 31, 2000 AT 11:51AM
JAMES M. BEVINS JR., CLERK

BY: _____

At